



California Energy Commission

Possible Changes to the Emerging Renewables Program Guidebook

Hearing Room B

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Agenda

- Introduction 10:00 – 10:15
- Staff Presentation 10:15 – 10:30
- Discussion and Comments 10:30 – 1:00
 - Incentive Structure
 - Wind Resource Analysis
 - Eligible Equipment Listing
 - General Comments



Background

- On March 4, 2011 the Emerging Renewables Program was put in a temporary suspension
- Primary reasons for the suspension:
 - Rebate reservations requesting incentives close to or equal to the total installed cost of the system
 - A decreased incentive to put the small wind turbine in a resource rich locations due to the lack of customer investment
- Today's discussion will focus on addressing these issues within the ERP



Incentive Structure

- The goal of the ERP is to *reduce* the net cost of on-site renewable energy systems
- The ERP is not intended to *fully eliminate* a consumer's economic interest by covering the entire cost of a system
 - With a system's cost completely covered by the rebate, the consumer may have no interest in verifying that the installation site has adequate wind resources to accommodate the wind energy system and generate enough electricity to offset the consumer's electrical load
- How can the ERP continue to promote small wind without providing incentives that cover the entire cost of the system?



Incentive Structure Cont'd

- Possible changes to the rebate:
 - A cap on the rebate based on a percentage of a systems' total cost (i.e. \$3.00/watt or a percentage of the total system cost, whichever is lower)
 - A performance-based incentive in which a customer would receive payment based on the actual generation of the small wind system on a \$/kwh basis.
 - A hybrid approach where a portion of the rebate is paid upfront on a \$/watt basis and another part of the rebate is paid over time based on generation



Incentive Structure Questions

- What is the appropriate role of the ERP incentive in the small wind market?
- Should the ERP continue to be a capacity-based incentive?
- Are there other options for designing a rebate program?



Wind Resource Analysis

- Currently the ERP rebate is based solely on the capacity of the system
- Should the rebate be based on an expected performance calculation or should the ERP require applicants to demonstrate the wind resource available at the proposed installation site?
- This can help ensure that ERP funds are being used to promote systems installed at resource-rich locations and provide some measure of customer protection , but can cause increased costs and time delays



Wind Resource Analysis Cont'd

- Possible changes regarding wind resource analysis:
 - Applicants must demonstrate available wind resource at site; this can be accomplished either by installing an anemometer, or by using a computer model
 - The rebate could be based on the expected performance of the system given the available wind resource, or it could be made available only to sites that show a pre-determined, minimum amount of wind resource availability



Wind Resource Analysis Questions

- Should the ERP require applicants to demonstrate the available wind resource at the project site?
- Do applicants need to demonstrate adequate wind resource availability at the local level when applying for a permit?
- What kinds of barriers would such a requirement pose on customers, retailers, and installers?
- Are there computer model tools robust enough to serve this potential requirement?



Eligible Equipment Listing

- Currently the ERP allows small wind manufacturers two ways to receiving listing on the eligible list of equipment
 - Provide 12 continuous months of performance data at a site with average annual wind speeds of at least 12 mph
 - Certify the small wind turbine to IEC 61400-2 standards
- The option to provide 12 months of self-reported data is not a robust way to verify the safety and performance of a system



Eligible Equipment Listing Cont'd

- Possible Changes to Eligible Equipment Listing Procedure:
 - Remove the option to self-certify
 - Add the option to receive SWCC certification, and allow manufacturers that received listing by self-certification to have a grace period for obtaining either SWCC or IEC 61400-2 certification



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Eligible Equipment Listing Questions

- Are there alternate standards that are appropriate for small wind turbines?
- How long should the ERP give to manufacturers to receive alternative certification in-lieu of self-certification?



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General Comments



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Written Comments

- Written comments must be submitted by **5:00 PM** on **April 21, 2011**
- Comments should be emailed to: docket@energy.state.ca.us
Please include docket number: **02-REN-1038**
Please indicate *Staff Workshop on Proposed Changes to the Emerging Renewables Program Guidebook* in the subject
- Comments may also be mailed to:
California Energy Commission
Dockets Office, MS-4
Re: Docket No. 02-REN-1038
1516 Ninth Street
Sacramento, CA 95814-5512



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